

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Implementation of the Subscriber
Carrier Selection Changes Provisions of
the Telecommunications Act of 1996

Policies and Rules Concerning
Unauthorized Changes of Consumers
Long Distance Carriers

Stratos Telecom, Inc. and Stratos
Offshore Services Company Request
for Waiver

CC Docket No. 94-129

PETITION FOR EXPEDITED WAIVER OF COMMISSION'S RULES

Stratos Telecom, Inc. and Stratos Offshore Services Company
(collectively "Stratos") hereby petition for a waiver of the Commission's subscriber
verification rules to allow Stratos to transfer Shell Offshore Services Company's
("SOSCo's") customer base without first obtaining each subscriber's authorization and
verification.¹ As set forth below, good cause exists for this waiver because the general
purpose behind the rule will be fulfilled by the measures proposed by Stratos. In
addition, the waiver will serve the public interest because it will ensure that there is not a
disruption in service for the customer accounts that are affected by the change in
carrier.

¹ See 47 C.F.R. §§ 64.1100 – 64.1150.

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Pursuant to an asset purchase agreement between Stratos Global Corporation ("Stratos Global") (the parent company of Stratos Telecom, Inc. and Stratos Offshore Services Company) and SOSCo, Stratos Global has agreed to purchase certain assets of SOSCo, including SOSCo's long-distance customer accounts. Upon consummation of this transaction, Stratos will provide the telecommunications services, including long distance services, previously provided by SOSCo.²

Stratos is concerned that strict compliance with the Commission's subscriber verification rules will result in unnecessary confusion and disruption of service to the current customers of SOSCo. Specifically, SOSCo's customer base consists of corporations and not individual consumers. Stratos (and SOSCo) believe that attempts to receive written and electronic authorizations from these companies will go unanswered and many of SOSCo's current customers will lose long-distance services, as well as other critical telecommunications services currently being provided by SOSCo throughout the Gulf of Mexico. Any disruption of service to the oil and gas companies operating in the Gulf of Mexico could seriously jeopardize the health and safety of these companies' workers, as well as potentially threaten the environment. These special circumstances warrant a deviation from the Commission's Rules in order

² After consummation of the transaction, the telecommunications services previously provided by SOSCo will be provided by Stratos Offshore Services Company or Stratos Telecom, Inc. Each of the services provided by Stratos Telecom, Inc. and Stratos Offshore Services Company will be provided to customers under the brand name of "Stratos."

to satisfy the public interest.³ Indeed, on prior occasions, the Commission has granted similar requests.⁴

To minimize any confusion, SOSCo will be sending a notice to each of its customers (customers under individual contract will be notified separately) to notify them of the agreement between SOSCo and Stratos, and to indicate that their underlying carrier for all services, including long-distance, will be changing upon receiving regulatory approval. A copy of this notice is set forth in Exhibit A. In addition, this notice will: (1) notify SOSCo's customers that Stratos does not have any immediate plans to change the current rates, terms and conditions of the telecommunications services previously provided by SOSCo; (2) indicate that there will be no charge associated with the change in ownership; (3) clearly state that each customer is free to choose another telecommunications provider at any time; and (4) provide a toll-free number for any questions. Upon obtaining all necessary regulatory approvals, Stratos expects to send another notice notifying each of its customers that the purchase of SOSCo's assets has been approved. Given the fact that these notices are being sent to

³ See Northeast Cellular Telephone Co. v. FCC, 897 F.2d 1164, 1166 (D.C. Cir. 1990) ("The FCC may exercise its discretion to waive a rule where particular facts would make strict compliance inconsistent with the public interest"); Wait Radio v. FCC, 418 F.2d 1153 (D.C. Cir. 1969).

⁴ See, e.g., International Exchange Communications, Inc. Request for Waiver, DA 99-1819 (rel. Sept. 10, 1994) (granting IECComm a waiver of the Commission's subscriber verification rules for purposes of its purchase of ITC's assets); MCI Worldcom, Inc. Request for Waiver, 14 FCC Rcd. 12264 (1999) (granting a waiver of "the authorization and verification requirements of the Commission's rules to the extent necessary to allow it to transfer customers of LDI to a subsidiary of MCI"); Primus Telecommunications Group, Inc. Petition for Waiver, 14 FCC Rcd. 12270 (1999).

sophisticated business consumers, both Stratos and SOSCo are confident that there will not be any confusion as to the change in the underlying telecommunications carrier or the customer's right to choose another carrier. This situation is different from a case in which a long-distance carrier deceptively changes a customer's current long-distance provider – the specific case the Commission's Rules were meant to prevent.


In light of the potential for disruption in service, Stratos requests expedited action on this waiver request. The Commission has already placed the assignment application for the SOSCo/Stratos purchase on public notice, and barring any opposition, the application is expected to be approved.⁵ Waiver of the Commission's subscriber verification rules as set forth above would ensure a seamless transition to the provision of services by Stratos, while the notice sent to SOSCo's customers will ensure that all affected customers understand the choices that are available to them.

⁵ See Wireless Telecommunications Bureau Assignment of Authorization and Transfer of Control Applications Accepted for Filing, Public Notice No. 97161 (Dec. 29, 1999) (placing the assignment of SOSCo's wireless licenses on public notice); Streamlined International Applications Accepted for Filing, Report No. TEL-00179S (Jan. 14, 2000) (placing Stratos Telecom, Inc.'s application for Section 214 authority on streamlined public notice); Streamlined International Applications Accepted for Filing, Report No. TEL-00182S (Jan. 28, 2000) (placing the assignment of SOSCo's Section 214 authority to Stratos Offshore Services Company on public notice).

Stratos respectfully requests that the Commission grant this request for an expedited waiver of the Commission's subscriber verification rules set forth in 47 C.F.R. §§ 64.1100 – 64.1150.

Respectfully submitted,

Stratos Offshore Services Company
Stratos Telecom, Inc.

By: 
Alfred M. Mamlet
Marc A. Paul

Stephoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036
202-429-3000


Their Attorneys

Dated: February 9, 2000

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of February 2000, a true and correct copy of the foregoing Petition for Expedited Waiver of Commission's Rules was served via Hand Delivery, upon the following:

Katherine Schroder
Deputy Chief
Accounting Policy Division
Common Carrier Bureau
445 12th Street, SW
Washington, D.C. 20554



Marc A. Paul

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Dear Customer

As you may already be aware, Shell Offshore Services Company ("SOSCo") has recently signed an agreement with Stratos, which will result in SOSCo being purchased by Stratos. Stratos is very committed to ensuring that SOSCo customers continue to receive excellent service while benefitting from the additional capabilities provided by Stratos which include a complete range of mobile and fixed satellite services.

The transaction will be finalized once government regulatory approvals have been obtained. At that time the SOSCo name will disappear and be replaced by Stratos, and Stratos will continue to provide your telephony services without interruption. Stratos has no plans to change the rates, terms and conditions of the local and long distance services that SOSCo currently provides to your company. In addition, no charges or fees will be imposed as a result of the change in ownership. However, you are entirely free to choose another carrier to supply the local and long distance services currently provided by SOSCo. No action is required if you wish to continue with Stratos as your telecommunications provider.

Once the regulatory approval has been received, an additional notice will be sent to you to indicate the date on which Stratos will become your company's carrier for the above mentioned telephone services. Although the name will change to Stratos, you will continue to deal with many of the people you have already come to know at SOSCo. Should you have any questions, please call (800) 600 9610 or email us at gulfnet@shellus.com.

We look forward to your continued business.

Sincerely,

J. J. Parm, President
Shell Offshore Services Company